

To: Chief Procurement Officer

From: Department of Labor and Industrial Relations/Workforce Development Division
Department/Division/Agency

03 SEP 18 A9:32

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Title and description of health and human service(s):

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

On-the-Job Training (OJT) funded under the Workforce Investment Act (WIA) program and other federally funded programs which are administered and operated by DLIR, Workforce Development Division (WDD), on the Counties of Hawaii, Maui, Oahu, and Kauai.

Employers will hire eligible program participants lacking the minimum qualifications for employment and agree to provide the participants with the necessary training that will allow the participants to attain the knowledge and skills essential to perform the job.

Provider Name: various and unknown	Total Contract Funds: \$975,000.00	Term of Contract: From: To: 10/1/03 09/30/06
Provider Address: various and unknown	Contract Funds per Year (as applicable).	

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Because the needs of each participant cannot be predetermined, it is not practical or advantageous to competitively procure OJT. The OJT must be tailored to fit the needs of each participant, each of whom may have a different set of characteristics and circumstances that must be considered and accommodated to the extent possible. The specific services and activities to be provided will be based on the individual's employment barriers, interests, and skills and the short-term and long-term vocational goals identified by that individual in concert with the case manager. The design of services consists of many diverse variables that make it difficult to secure suitable worksites to accommodate the need of each individual. Variables may include but are not limited to the individual's availability in terms of worksite location, days and hours, and the type of day-to-day supervision needed for each individual.

The number of job vacancies and types of jobs available by employers also cannot be predetermined. OJT contracts are possible only if the employer has an appropriate job opening and is willing to hire and provide training to participants who lack the skills level required for a specific job.

DLIR had 74 various employers that hired 102 OJT participants for 70 different types of jobs from July 1, 2002 to June 30, 2003. These jobs included truck driver, administrative assistant, certified nurse assistant, sales clerk, dental assistant, upholsterer, and graphic production technician.

The individual nature of OJTs prohibits competitive procurement. The employers used by DLIR for OJT varies from year to year since it is dependent on the needs of each participant. DLIR cannot account for the needs of each participant in advance. Therefore, establishing a list of employers once a year limits DLIR's ability to use an employer who may have an immediate job opening if the employer has not submitted an application.

The placement of a participant into OJT is subject to whether an employer is willing to hire the participant for the job opening. The competitive procurement to establish a list of employers may result with a list of employers that may not have immediate job openings at the time that DLIR needs to place a participant in OJT.

The lowest price resulting in a competitive procurement is not advantageous to DLIR because it contradicts with the intent of the program which encourages self-sufficiency of participants. DLIR also reimburses the employer for up to 50 percent of the participant's wages for cost associated with training the participants of job requirements. The wages are non-negotiable since wages paid to OJT participant by the employer must be the same wages and benefits as employees similarly employed by the employer.

Section 101(31) of the WIA states in part:

“On-The-Job Training (OJT) means training by an employer that is provided to a paid participant while engaged in productive work in a job – (A) provides knowledge or skills essential to the full and adequate performance of the job; (B) provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and (C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.”

Details of the process of procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

OJTs are used on “as needed basis” and tailored to individual needs and preference. The circumstance guiding the individual service plan greatly depends on various variables which include, but are not limited to, the individual's availability in terms of hours, days, location of worksite, and the type of day-to-day supervision necessary for each individual. For these services, WDD staff will attempt to provide as many employers with the opportunity to participate as possible through marketing efforts.

In accordance with Section 667 of 20 CFR Part 652, dated August 11, 2000, employers must meet specific requirements before a participant is placed in an OJT with the employer. These requirements include, but not limited to, the company has operated at the location for 120 days, participant hired for the job opening do not displace other employees or reduce the hours of any currently employed employees, and participant is provided with the same terms of employment, working conditions, compensation and fringe benefits as the employer provides to other employees in similar occupations by that employer.

Duration of OJT is limited to the period of training not exceed six months unless the participant warrants longer training because of exceptional circumstances.

A description of the state agency's internal controls and approval requirements for the exempted procurement:

The WDD case manager or counselor will request the OJT in writing. The counselor's supervisor, local office manager, branch manager, administrator, and Director must approve the OJT request before the participant's first day on the job. DLIR will retain copies of all requests in the participant's file and fiscal office. Payments will follow normal payment procedures as for other cost items. Post performance of the employer will be analyzed and performance must be deemed at least satisfactory.

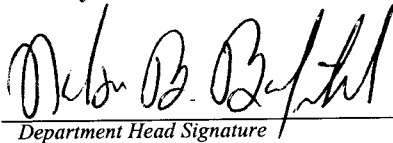
A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Mr. Nelson B. Befitel, Director
Ms. Elaine Young, Administrator, WDD
Mr. Charles Kunz, Hilo Local Office Manager
Ms. Lori Sasaki, Kona Local Office Manager
Mr. Kevin Kimizuka, Maui Branch Manager
Ms. Shelley Apana, Supervisor, Maui Local Office
Mr. Harry Winfield, Honolulu Local Office Manager
Mr. Alvin Tsukayama, Kaneohe Local Office Manager

Ms. Norma McDonald, Oahu Branch Manager
Mr. Blayne Hanagami, Hawaii Branch Manager
Ms. Jan Oshiro, Supervisor, Hilo Local Office
Ms. Harrilyn Wong, Supervisor, Kona Local Office
Ms. Carol Kawamura, Supervisor, Maui Local Office
Mr. Tracy Hirano, Kauai Branch Manager
Mr. Abner Nunes, Waipahu Local Office Manager
Ms. Alberta Napoleon-Lucas, Sup., Molokai Local Office

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.


Department Head Signature

9/9/03
Date

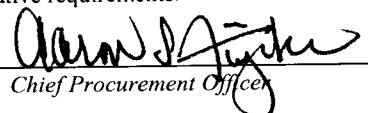
Nelson B. Befitel
Typed Name

Director
Department of Labor and Industrial Relations
Position Title

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

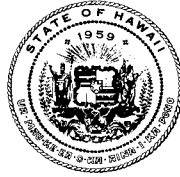
☒ Approved ☐ Denied


Chief Procurement Officer

9/18/03
Date

cc: Administrator
State Procurement Officer

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
WORKFORCE DEVELOPMENT DIVISION
830 Punchbowl Street, Room 329
Honolulu, Hawaii 96813

NELSON B. BEFIT
DIRECTOR

COLLEEN Y. LaCLA
DEPUTY DIRECTOR

ELAINE YOUNG
ADMINISTRATOR

September 16, 2003

TO: Aaron Fujioka, Chief Procurement Office
State Procurement Office
Department of Accounting and General Services

ATTN: Mara Smith, Manager
Health and Human Services
State Procurement Office

FROM: Carol Kanayama, Acting Administrator
Workforce Development Division
Department of Labor and Industrial Relations

A handwritten signature in cursive script, appearing to read "Carol Kanayama".

SUBJECT: Request for Procurement Exemption

In accordance with Chapter 103F-101(a)(4), HRS, an exemption from Chapter 103F is requested for the procurement of On-the-Job Training (OJT). The exemption request is enclosed.

If you have any questions regarding the request, please contact Ms. Maricar Pilotin-Freitas at 6-8817. Thank you for your consideration of this request and for the assistance provided by your staff in preparing the request.

Enclosure

c: ASO

PEH No. 04-06